

**Exercise #2**  
**SBITA - Establishment and Payment (Prepaid)**

**Scenario:** Using the same facts from Exercise #1, there are no variable payments but a payment of \$227,196.62 was paid prior to commencement.

1.) To establish construction in progress (CIP) from previous expenditure.

Fund Type <u>GWRF</u>	T-Code <u>545</u>	
		<b>Amount</b>
		<b>Debit                  Credit</b>
GL / Comp Object <u>GL 0861</u>		227,196.62
GL / Comp Object <u>GL 3600 / CO 5356</u>		227,196.62
GL / Comp Object <u>GL 3074</u>		227,196.62
GL / Comp Object <u>GL 3018</u>		227,196.62

2.) To remove construction in progress for the transition from CIP to a capital asset when the SBITA is placed into service.

Fund Type <u>GWRF</u>	T-Code <u>540</u>	
		<b>Amount</b>
		<b>Debit                  Credit</b>
GL / Comp Object <u>GL 0819</u>		227,196.62
GL / Comp Object <u>GL 0861</u>		227,196.62

3.) To record depreciation expense for the SBITA.

Fund Type <u>GWRF</u>	T-Code <u>542</u>	
		<b>Amount</b>
		<b>Debit                  Credit</b>
GL / Comp Object <u>GL 3600 / CO 7489</u>		18,933.05
GL / Comp Object <u>GL 0895</u>		18,933.05
GL / Comp Object <u>GL 3018</u>		18,933.05
GL / Comp Object <u>GL 3074</u>		18,933.05